

CITY OF ALAMO HEIGHTS  
CITY COUNCIL  
July 20, 2010

A special meeting/work session of the City Council of the City of Alamo Heights, Texas was held at the Council Chambers, 6120 Broadway, at 8:30 a.m. on Tuesday, July 20, 2010.

Present and composing a quorum were:

Mayor Louis Cooper  
Mayor Pro-Tempore Stan McCormick  
Councilmember Fred Prassel  
Councilmember Elliot Weser  
Councilmember John Savage

Also attending were:

City Manager Ann Benson McGlone  
Assistant City Manager/Public Works Director Shawn P. Eddy  
Communications/IT Manager Marian Ramirez  
Community Development Director Brian Chandler  
Human Resource Manager Judith E. Surratt  
City Secretary Jennifer Reyna  
Interim Fire Chief Buddy Kuhn  
Police Chief Rick Pruitt

Absent were:

Councilmember Bobby Rosenthal  
City Attorney Mike Brenan  
Finance Director Cynthia Barr

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Mayor Louis Cooper opened the meeting at 8:37 a.m.

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City Manager Ann McGlone reviewed revisions to the FY 2010 – 11 Proposed Budget based upon comments and input provided by the City Council during the budget work session on June 22, 2010.

Ms. McGlone presented the property tax rate at the same rate of 0.355662 per \$100 valuation for the fourth consecutive year. The current TMRS retirement contribution of 6% per employee with the 2-1 match by the City would be maintained. A one-time performance pay equivalent to 2% of salaries to provide employee performance incentives without adding recurring expenses to the City's budget in a weak economy was included. She noted that revenue collected by the City for telecommunications leases is proposed to be transferred from

the Utility Fund to the General Fund and stated the budget provides adequate transfers to support the Street Maintenance, Capital Replacement and Comprehensive Plan Funds.

Councilmember Elliot Weser stated he requested a budget work session to address his questions and concerns for the entire Council to hear and discuss.

Councilmember Weser asked about the difference between property tax revenues included in the previously proposed and the revised budgets. Assistant City Manager/Public Works Director Shawn P. Eddy explained that the original proposed budget dated June 22 proposed the effective tax rate and hence the higher revenue. The revised proposed budget presented on July 20 includes the latest and more accurate estimate of property tax revenues based upon on a Bexar Appraisal District update.

Councilmember Weser asked about the difference between the 1% Cost of Living Allowance (COLA) and the Performance Pay equivalent to 1% of employee's salary, which were presented at the June 22 Budget Work Session. Mr. Eddy replied that the total amounts are different because of the time during the year the money would have been awarded. Performance pay is awarded in April and COLA would have been effective in January.

Councilmember John Savage requested City staff to clarify that the personal leave buy-back program is distributed prior to Christmas but is not a Christmas bonus because it is a purchase of unused earned personal leave hours. He expressed support of the performance pay program. Mayor Cooper also expressed his support for performance pay.

Ms. McGlone explained the Employee Performance and Development Plan (EPDP) that rewards and promotes excellence. She noted that not providing a COLA or an increase in TMRS could make it difficult to continue to maintain qualified employees. Ms. McGlone reviewed the increasing challenges related to recruitment and cited the example of being forced to hire EMTs instead of Paramedics which requires the City to pay for one year of paramedic training without any guarantees that the employee will stay at the City. Councilmember Weser agreed with Ms. McGlone that there are challenges to overcome with competitive salary and amenities.

City Council provided direction to include a one-time performance pay equivalent to 2% of salaries in the proposed budget.

Councilmember Weser stated the City needs to be aware of trends, predictions and forecasts related to budget. For example, the total available funds in the general fund budget for 2011 is \$210,000 less than the 2010 total available funds and the total appropriations, even after elimination of two employee positions are \$83,000 more than the 2010 total appropriations. This results in a \$300,000 decrease in the gross available balance for 2011, a 10% reduction which continues downward with the trend. Councilmember Weser noted the proposed budget did not include any funding for facility improvements to the fire station.

Councilmember Weser asked about the use of Community Infrastructure Economic Development (CIED) funds. Mr. Eddy stated that the designated CPS Energy funds may be utilized for street lights or underground conversion and a project needs to be considered to utilize

the funds. Ms. McGlone stated prospective CIED funded projects will be considered in the Infrastructure and Services Committee and that no CIED monies had been returned to CPS Energy. Council must decide by the end of the year how to spend this year's CIED allocation.

Councilmember Weser recommended that the funds in the Comprehensive Plan Fund be utilized carefully and require Council prioritization and approval for items in the Comprehensive Plan that ought to be evaluated during the year before spending any funds. Mayor Pro Tem McCormick stated his agreement with Councilmember Weser.

Ms. McGlone summarized that green-building incentives, parking, and residential design standards would be considered in the Neighborhood Commercial and Character Revitalization Committee.

Mayor Cooper expressed concern on the lack of reporting process after Council committees have met and brought forth for Council consideration. Ms. McGlone stated there will be improvements to the reporting process. Mayor Cooper thanked Councilmember Weser for the questions and clarifications.

Ms. McGlone stated the budget is scheduled for presentation on August 9<sup>th</sup> and noted that public hearings are scheduled to be held on August 23<sup>rd</sup> and September 13<sup>th</sup>. The budget is scheduled for adoption on September 27<sup>th</sup>.

Mayor Cooper asked if the proposed budget will be available to the public. Ms. Ramirez responded the proposed budget will be available at City Hall and online via the City's website. Mayor Cooper suggested City staff prepare frequently asked questions to be included in the budget. Mayor Pro Tem McCormick agreed with Mayor Cooper.

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Mayor Cooper announced two upcoming events, Coffee with the City Manager and Lunch with the Mayor, both scheduled for Thursday, July 22<sup>nd</sup>. Mayor Cooper invited commercial property owners to attend the lunch on July 22<sup>nd</sup> at City Council Chambers. Councilmember Weser suggested that other Councilmembers be able to attend the lunch and the lunch be posted be as an open meeting.

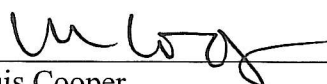
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There being no further questions or discussion, Mayor Cooper adjourned the meeting/work session at 10:05 a.m.

  
Jennifer Reyna, TRMC  
City Secretary

  
Louis Cooper  
Mayor